

G, E-002/M-93-667 ORDER APPROVING COMPANY'S PROPOSED REROUTING
PLAN WITH ADDITIONAL REQUIREMENTS

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm	Chair
Tom Burton	Commissioner
Marshall Johnson	Commissioner
Cynthia A. Kitlinski	Commissioner
Dee Knaak	Commissioner

In the Matter of the Request of
Northern States Power Company to
Reroute Meter Readings

ISSUE DATE: October 7, 1993

DOCKET NO. G, E-002/M-93-667

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PROPOSED REROUTING PLAN WITH
ADDITIONAL REQUIREMENTS

PROCEDURAL HISTORY

On January 27, 1993, Northern States Power Company (NSP or the Company) filed a letter with the Commission regarding the Company's proposed rerouting of approximately 20,000 NSP retail customers in the St. Cloud area. To implement the rerouting, the Company would generate one cycle of bills based on periods from 17 to 40 days long. All bills reflecting periods longer or shorter than the normal 30 days would be prorated as required by Commission rules. The Company argued that it was not necessary to obtain a variance from the one month billing requirement set in Commission rules because the Company was properly prorating under the rules. The Commission, however, did not agree that prorating lifted the Company from the requirements of the rule, without a variance. The Commission granted approval of the rerouting in its ORDER GRANTING VARIANCE, dated March 25, 1993.

On July 16, 1993, NSP filed a notice of an upcoming major rerouting which would affect approximately 1.2 million retail customers in Minnesota. As a result of this rerouting, customers could receive one bill based on a billing period from 15 to 45 days long. The bills would be prorated as necessary, and a one month waiver of the late payment charge would be implemented. The Company stated that it would work closely with any customer who might require a payment arrangement because of a longer than normal billing period.

The Company offered a plan for the current proposed rerouting which could also apply to future reroutings. NSP believed the plan would offer sufficient notice to customers and the Commission, and sufficient flexibility for the Company. Under the plan, reroutings would not require a variance from Commission

rules as long as the Company prorated bills when necessary and agreed to certain other requirements. For reroutings of more than 1,000 customers or one percent of customers, whichever is less, the Company would follow recommendations which had been developed in 1988 by the Department of Public Service (the Department), the Residential Utilities Division of the Office of the Attorney General, and NSP. The recommendations included:

1. Notify the Commission at least six weeks prior to the implementation of the rerouting;
2. Notify affected customers through bill inserts one month prior to implementing the rerouting;
3. Notify customers through an advertisement in the local newspaper the week prior to the first billings of the rerouted accounts;
4. Notify customers with a bill insert in the month of the change;
5. Allow a waiver of the late payment charge for customers being rerouted.

In comments dated August 27, 1993, the Department agreed with the Company that no variance was necessary for the planned rerouting. The Department supported the Company's basic plan for reroutings, with some additions. The Department recommended that the Company file a notification at the beginning of each year which would address all upcoming meter reroutings. If the Company stated it would prorate bills and abide by the 30-day definition of "month" as required by Minn. Rules, part 7820.3300, a variance would not be required. At the end of each year, the Company would report the actual number and location of reroutings, and the number of customers affected. For major reroutings (those affecting 1,000 customers or one percent of total customers, whichever is less), the Company would also follow the above-listed recommendations for customer notification.

The Company's proposal for rerouting came before the Commission for consideration on September 16, 1993.

FINDINGS AND CONCLUSIONS

Minn. Rules, part 7820.3300 governs issues of meter readings and billing periods. This rule reads in part as follows:

Readings of all meters used for determining charges to customers shall be made each month unless otherwise authorized by the Commission upon petition by the utility. The term "month" for meter reading and billing purposes is the period between successive meter reading dates which shall be as nearly as practicable to 30-day intervals. When a utility is unable to gain access to a meter, it shall leave a meter-reading form for the customer.

If the billing period is longer or shorter than the normal billing period by more than five days, the bill shall be prorated on a daily basis.

Under the rule, the Commission may authorize a deviation from the normal monthly billing pattern, upon petition by the utility. For the first time, NSP has petitioned for Commission authorization of an ongoing plan which would address possible deviations from the normal monthly billing pattern during future reroutings. Under the plan, the Company would retain the monthly billing pattern as its norm. The plan therefore would include proration of bills which fall outside the five day window period surrounding the monthly billing period.

The Commission agrees with the Department that a yearly prospective notification of all upcoming reroutings, plus a year-end report of actual reroutings and customers affected, should be added to the Company's plan. These reports will enable the Commission to monitor the Company's implementation of its plan for future reroutings.

The Commission finds that the Company's proposed notification policy for major reroutings is appropriate. An official notice to the Commission, which is in addition to the yearly notification discussed previously, is an appropriate measure for a rerouting which will affect a large number of customers. The notification procedures for customers are also appropriate for major reroutings. It is reasonable to expect the Company to generate bill inserts and local advertisements when 1,000 or more customers will be affected. This situation is in contrast to smaller reroutings, which could affect as few as one customer. In the smaller reroutings, an extensive notification process could be unduly burdensome for the Company. For smaller numbers of customers, proration of bills when necessary, a one-month waiver of late payment charges, and annual rerouting notification requirements are reasonable levels of protection.

The Commission will approve the Company's current proposed rerouting of its retail customers, as outlined in NSP's July 16, 1993 filing. The Commission will also authorize the Company's proposed plan for future reroutings, pursuant to the

Commission's authority under Minn. Rules, part 7820.3300, with the addition of the two annual filing requirements recommended by the Department. As long as the Company abides by its rerouting plan and Commission rules, including prorating when necessary, no further Commission action will be necessary for future Company reroutings.

ORDER

1. The Commission approves NSP's proposal, dated July 16, 1993, for rerouting its retail customers.
2. NSP's proposed plan for notification and implementation of future reroutings is approved, with the addition of the two annual filing requirements recommended by the Department.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Susan Mackenzie
Acting Executive Secretary

(S E A L)